



**Medicare Advantage Group/CBC**

---

Date: September 8, 2004

To: Medicare Advantage Organizations  
Demonstration Projects

From: Tanette Downs /s/  
Acting Director, Division of Finance and Benefits

Subject: Medicare Part B Premiums and the Adjusted Community Rate

The Medicare premiums for calendar year 2005 were announced on Friday, September 3, 2004. The Part B premium for calendar year 2005 is \$78.20 per member month.

The purpose of this memorandum is to bring to your attention the fact that the adjusted community rate (ACR) spreadsheets for calendar year 2005 contain a default value of \$78.10 for Part B premium in Line 1 of Part IV of Worksheet A (Cover). If your organization is attempting to eliminate Part B premiums for its Medicare enrollees, the default value in Line 1 of Part IV of Worksheet A should be changed to \$78.20. If this is not done, enrollees will have \$.12 per month taken from their Social Security checks for payment of Part B premium.

Organizations that are reducing rather than eliminating Part B premium for their Medicare enrollees may also wish to change the default value for the Medicare Part B premium.

If you have any questions, please contact Nancy Kitchen at 410-786-7637 or [nkitchen@cms.hhs.gov](mailto:nkitchen@cms.hhs.gov).

Thank you for your attention to this matter.